

June 19, 2003

BY HAND DELIVERY AND BY ELECTRONIC MAIL

Ms. Luly Massaro, Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Docket 3400 – Comments of The Narragansett Electric Company

Dear Ms Massaro:

Enclosed on behalf of The Narragansett Electric Company (“Narragansett” or “Company”) are ten copies of the Company’s comments to accompany the filing of the Long Term Arrearage Management Solutions for Rhode Island (the “Plan”) filed in this docket on June 3, 2003.

General Comments

In general, Narragansett commends the Docket 3400 Working Group for each member’s respective efforts to examine the feasibility of implementing an electric and natural gas arrearage forgiveness policy. As set forth in the Plan, the Working Group has worked hard, not only to come up with an arrearage forgiveness proposal, but also to achieve a general consensus for a new method of targeting subsidies to low-income customers in a manner that can be customized to match customer income levels and is efficient from the perspective of administration and billing. Representatives from Narragansett are pleased that the Working Group has adopted a targeted discount approach that closely mirrors the method already utilized by Narragansett’s distribution affiliate in New Hampshire, Granite State Electric Company. The adoption of this method ensures that, if this targeted discount approach were to be implemented, Narragansett’s customers would not be paying excessive sums to administer the discount program.

Specific Comments

1. The filed Plan outlines a broad brush approach for arrearage forgiveness and targeted discounts, but, “is not intended to serve as a detailed program operation manual.” Indeed, Narragansett notes that although much has been accomplished to date, any actual implementation of the programs set forth in the Plan would entail significantly more work to hammer out the details of its administration. In addition, we believe that since the Community Action Agencies (“CAAs”) would be involved in the day-to-day management of these programs, they would need to play a more significant role in the process before it could actually go forward.
2. As its most prominent and troubling comment to this proceeding, Narragansett must point out that in Docket 3423, the Rhode Public Utilities Commission (“Commission”) opened this Docket 3400 by directing the Working Group to propose a debt forgiveness plan that would “have an independent funding source that will not include socializing the costs of a debt forgiveness program among other utility ratepayers.” Order 16966 at 5. Although representatives of the working group were hopeful that funding for the Plan could be realized through cost savings or through some other source, this goal has not been met. With the Plan set forth as proposed, it would not be possible to meet the funding challenge of the arrearage management and targeted discount programs set forth in this Plan without proposing increases to the bills of both gas and electric consumers in the state. However, if funding were to become available by legislative mandate or some other means, the Plan could be implemented through a combination of LIHEAP monies, monies currently expended by the electric and gas companies for payment assistance, and a non by-passable volumetric charge on electric and gas distribution deliveries. Narragansett has prepared an analysis showing its costs related to the filed Plan as well as the estimated impact to customer bills in the first year of the program. These are provided as Appendices 1 and 2 to these comments, respectively. The Company has estimated that the incremental cost in the first year of implementation of the Plan would be approximately \$8.5 million and would result in increases to customer bills ranging from 0.8 to 1.3 percent. This includes the cost impact of recent expansions to the Company’s present low-income rates that are recoverable from customers under the terms of the Company’s merger settlement in Docket 2930.
3. With respect to arrearage forgiveness, Narragansett also wants to clarify its intent in supporting a one-time arrears forgiveness model that does not track customer payments to ensure that are keeping current on their bills as a means to continue receiving forgiveness of their respective arrears over time. Narragansett supports a one-time arrears forgiveness model primarily because

of the extraordinary complexity and cost of an arrears tracking process. Although Narragansett's proposal to eliminate arrearage management presumably eliminates any potential incentivizing effect for customers to remain current on their bills, we believe that the administrative monitoring costs saved far exceed any forgiveness dollars that would otherwise be recovered. In New Hampshire, a similar low-income working group abandoned an incentive based "arrearage management" concept altogether because an efficient, automated and cost effective incentive-based arrearage management process could not be found.

4. Further, we believe that the incentive for customers to remain current on their bills should come from knowing that arrearage forgiveness is a one-time event for any particular customer household. Under the Plan as currently drafted, it is unclear whether arrearage forgiveness would continue to be available to customers who had received arrearage forgiveness in a prior year. We propose that one-time arrearage forgiveness, plus prospective rate discounts ensuring that a customer's bill is within an affordable range, should be enough.
5. Finally, we believe that if customers continue to qualify for LIHEAP in subsequent years following the initial arrearage forgiveness, they should not be given immunity from future collection actions if they fall into arrears. Rather, they should be treated as currently provided for under the Commission's Rules and Regulations Concerning Termination of Residential Service ("Termination Rules") as they apply to other Protected Status Customers who are not necessarily LIHEAP qualified customers.

Corrections

1. The total cost of pre-existing low-income program funding shown on Page 4 of the Plan is incorrect. The correct total is \$16,439,000.

Thank you for your attention to our filed comments in this proceeding.

Very truly yours,

Terry L. Schwennesen

Enclosure

C: Docket 3400 Service List

**The Narragansett Electric Company
Analysis of Potential Cost of Proposed Low-Income Program**

Baseload:

	Number of Customers (a)	Annual kWh Usage (b)	Average Usage per Bill (c)	Annual Bill per Customer A-60 (d)	Total Revenue in Block A-60 (e)	Annual Bill per Customer A-16 (f)	Total Revenue in Block A-16 (g)	Annual Subsidy (h)	Eligible for Proposed Program (i)	Current Revenue Recovery (j)
Liheap Only	19,100	100,483,966	438	\$509.78	\$9,736,787	\$614.68	\$11,740,472	\$2,003,685	Yes	per Settlement (1)
Liheap Plus	2,352	12,636,930	448	\$521.42	\$1,226,376	\$628.02	\$1,477,109	\$250,733	Yes	in rates
No Liheap	7,406	37,456,140	421	\$489.99	\$3,628,892	\$592.01	\$4,384,425	\$755,533	No	in rates
	28,858				\$14,592,055		\$17,602,005	\$3,009,951		

Space Heating:

Liheap Only	1,135	8,010,910	588	\$684.36	\$776,750	\$814.75	\$924,746	\$147,996	Yes	per Settlement (1)
Liheap Plus	113	1,270,472	937	\$1,090.56	\$123,233	\$1,280.25	\$144,668	\$21,436	Yes	in rates
No Liheap	197	1,811,090	766	\$853.12	\$168,065	\$1,008.16	\$198,607	\$30,541	No	in rates
	1,445	11,092,472			\$1,068,048		\$1,268,021	\$199,973		

Total

Liheap Only	20,235	108,494,876	1,026		10,513,538		12,665,218	2,151,681	Yes	per Settlement (1)
Liheap Plus	2,465	13,907,402	1,385		1,349,608		1,621,777	272,169	Yes	in rates
No Liheap	7,603	39,267,230	1,187		3,796,957		4,583,031	786,074	No	in rates
	30,303	161,669,508			\$15,660,103		\$18,870,026	\$3,209,923		

Source: Low Income Rate A-60 customers as of April 2003; usage for same customers for 12 months ending 03/03.

LIHEAP Only: Customers eligible for LIHEAP assistance.

LIHEAP Plus: Customers eligible for LIHEAP assistance and another form of eligibility in accordance with Rate A60 provisions.

No LIHEAP: Rate A-60 eligible customers that are not eligible for LIHEAP benefits.

(1) Per the Third Amended Stipulation and Settlement in RIPUC Docket No. 2930, Section 20, provided for expansion of the low income rate to include customers eligible for LIHEAP benefits and provided for cost recovery during and after the Rate Freeze period.

The Narragansett Electric Company
Analysis of Potential Cost of Proposed Low-Income Program
Estimated Cost of Program

Baseload:

	<u>Number of Customers</u> (a)	<u>Annual kWh Usage</u> (b)	<u>Average Usage per Bill</u> (c)	<u>Annual Bill per Customer A-16</u> (d)	<u>Total Revenue A-16</u> (e)	<u>Average Discount @ 40%</u> (f)	<u>Average Discount @ 50%</u> (g)	<u>Average Discount @ 60%</u> (h)
Liheap Only	19,100	100,483,966	438	\$614.68	\$11,740,472	\$4,696,189	\$5,870,236	\$7,044,283
Liheap Plus	<u>2,352</u>	<u>12,636,930</u>	<u>448</u>	<u>\$628.02</u>	<u>\$1,477,109</u>	<u>\$590,843</u>	<u>\$738,554</u>	<u>\$886,265</u>
	21,452				\$13,217,581	\$5,287,032	\$6,608,790	\$7,930,548

Space Heating:

	<u>Number of Customers</u>	<u>Annual kWh Usage</u>	<u>Average Usage per Bill</u>	<u>Annual Bill per Customer A-16</u>	<u>Total Revenue A-16</u>	<u>Average Discount @ 60%</u>	<u>Average Discount @ 60%</u>	<u>Average Discount @ 60%</u>
Liheap Only	1,135	8,010,910	588	815	\$924,746	\$554,848	\$554,848	\$554,848
Liheap Plus	<u>113</u>	<u>1,270,472</u>	<u>937</u>	<u>1,280</u>	<u>\$144,668</u>	<u>\$86,801</u>	<u>\$86,801</u>	<u>\$86,801</u>
	1,248				\$1,069,415	\$641,649	\$641,649	\$641,649
TOTAL	22,700				\$14,286,995	\$5,928,681	\$7,250,439	\$8,572,197

Note:
Based on Standard Offer rate of 5.8 cents per kWh

**The Narragansett Electric Company
Analysis of Potential Cost of Proposed Low-Income Program**

Summary of Program Costs

	<u>Year One</u>	<u>Year Two</u>
Annual Subsidy	\$6,000,000	\$6,000,000
Administrative Costs	\$600,000	\$300,000
Arrearage Management (1)	\$2,900,000	(1)
Avoided Bad Debt, Coll and Disconnect Costs (2)	-\$275,000	-\$275,000
LIHEAP Allocation	-\$460,000	-\$460,000
Current Discount Expenditures (3)	<u>-\$272,169</u>	<u>-\$272,169</u>
Total Program Costs	\$8,492,831	\$5,292,831
Estimated kWh Deliveries	7,600,000,000	7,600,000,000
Estimated kWh Charge to all Customers	\$0.00112	\$0.00070

(1) Without any cap on eligibility, recurring cost of arrears in year 2 should be calculated as the percentage turnover rate in the overall LIHEAP program multiplied by our actual first year costs for estimation purposes. RI Energy Office should provide turnover percentage.

(2) Based on 10% of Low Income Net bad debt write-offs in calendar year 2001 at Narragansett.

(3) The Company is not currently recovering costs associated with the LIHEAP expansion as provided for in RIPUC Docket No. 2930. This amounts represents estimated discounts for those customers eligible for Rate A60 prior to the expansion of the rate and who are also eligible to receive LIHEAP benefits.

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge

Impact on A-16 Rate Customers

Monthly kWh	Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
120	\$16.29	\$7.00	\$9.29	\$16.43	\$7.00	\$9.43	\$0.14	0.9%	8%
240	\$29.93	\$14.00	\$15.93	\$30.21	\$14.00	\$16.21	\$0.28	0.9%	15%
500	\$59.50	\$29.17	\$30.33	\$60.08	\$29.17	\$30.91	\$0.58	1.0%	34%
700	\$82.23	\$40.83	\$41.40	\$83.05	\$40.83	\$42.22	\$0.82	1.0%	21%
950	\$110.66	\$55.42	\$55.24	\$111.77	\$55.42	\$56.35	\$1.11	1.0%	12%
1,000	\$116.34	\$58.33	\$58.01	\$117.51	\$58.33	\$59.18	\$1.17	1.0%	

Rates in Effect - Present: A-16

Rates in Effect - Proposed: A-16

Customer Charge		\$2.54
Transmission Energy Charge (1)	kWh x	\$0.00499
Distribution Energy Charge	kWh x	\$0.03680
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Customer Charge		\$2.54
Transmission Energy Charge (2)	kWh x	\$0.00499
Distribution Energy Charge	kWh x	\$0.03680
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on A-18 Rate Customers

Monthly kWh	Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)		Percent of Bills Waterheating	Percent of Bills Spaceheating
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total		
280	\$32.08	\$16.33	\$15.75	\$32.40	\$16.33	\$16.07	\$0.32	1.0%	9%	4%
550	\$60.48	\$32.08	\$28.40	\$61.12	\$32.08	\$29.04	\$0.64	1.1%	21%	6%
1,100	\$120.76	\$64.17	\$56.59	\$122.04	\$64.17	\$57.87	\$1.28	1.1%	46%	22%
1,650	\$182.40	\$96.25	\$86.15	\$184.32	\$96.25	\$88.07	\$1.92	1.1%	17%	23%
2,200	\$244.04	\$128.33	\$115.71	\$246.61	\$128.33	\$118.28	\$2.57	1.1%	4%	18%

Rates in Effect - Present: A-18

Rates in Effect - Proposed A-18

Customer Charge		\$2.52
Transmission Energy Charge (1)	kWh x	\$0.00450
Distribution Energy Charge	kWh x	\$0.03574
Transition Energy Charge	kWh x	\$0.00944
Credit for 1st 750 kWh	kWh x	-\$0.00661
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Customer Charge		\$2.52
Transmission Energy Charge (2)	kWh x	\$0.00450
Distribution Energy Charge	kWh x	\$0.03574
Transition Energy Charge	kWh x	\$0.00944
Credit for 1st 750 kWh	kWh x	-\$0.00661
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge

Impact on A-32 Rate Customers

Monthly kWh	Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
2,000	\$210.92	\$116.67	\$94.25	\$213.25	\$116.67	\$96.58	\$2.33	1.1%
2,500	\$261.89	\$145.83	\$116.06	\$264.80	\$145.83	\$118.97	\$2.91	1.1%
3,000	\$312.86	\$175.00	\$137.86	\$316.36	\$175.00	\$141.36	\$3.50	1.1%
4,000	\$414.81	\$233.33	\$181.48	\$419.48	\$233.33	\$186.15	\$4.67	1.1%
5,000	\$516.76	\$291.67	\$225.09	\$522.60	\$291.67	\$230.93	\$5.84	1.1%

Rates in Effect - Present: A-32

Customer Charge		\$2.30
Meter Charge		\$4.44
Transmission Energy Charge (1)	kWh x	\$0.00455
Distribution Energy Charge	kWh x	\$0.02596
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed \$0.05600

Rates in Effect - Proposed: A-32

Customer Charge		\$2.30
Meter Charge		\$4.44
Transmission Energy Charge (2)	kWh x	\$0.00455
Distribution Energy Charge	kWh x	\$0.02596
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Date: 19-Jun-03

Comparison of Rates With Proposed Low Income Program Charge

Time: 09:48 AM

Impact on A-60 Rate Customers

Without Control Credit for Water Heater

Monthly kWh	Rates in Effect - Present Standard			Rates in Effect - Proposed Standard			Increase/(Decrease)		Percent of Bills
	Total	Offer	"Wires"	Total	Offer	"Wires"	Amount	% of Total	
95	\$9.40	\$5.54	\$3.86	\$9.51	\$5.54	\$3.97	\$0.11	1.2%	6.0%
190	\$18.80	\$11.08	\$7.72	\$19.02	\$11.08	\$7.94	\$0.22	1.2%	22.0%
380	\$37.60	\$22.17	\$15.43	\$38.05	\$22.17	\$15.88	\$0.45	1.2%	39.0%
550	\$54.42	\$32.08	\$22.34	\$55.06	\$32.08	\$22.98	\$0.64	1.2%	16.0%
750	\$74.21	\$43.75	\$30.46	\$75.09	\$43.75	\$31.34	\$0.88	1.2%	9.0%

Rates in Effect - Present: A-60

Rates in Effect - Proposed: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00401
Distribution Energy Charge	kWh x	\$0.02589
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
FAS 106 Adjustment, & Settlement Cr.	kWh x	-\$0.00038
A-60 Rate Credit	kWh x	-\$0.00227

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00401
Distribution Energy Charge	kWh x	\$0.02589
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038
A-60 Rate Credit	kWh x	-\$0.00227

Gross Earnings Tax 4.00%

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Date: 19-Jun-03

Comparison of Rates With Proposed Low Income Program Charge

Time: 09:48 AM

Impact on A-60 Rate Customers

With Control Credit for Water Heater

Monthly kWh	Rates in Effect - Present			Rates in Effect - Proposed			Difference		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
95	\$8.74	\$5.54	\$3.20	\$8.86	\$5.54	\$3.32	\$0.12	1.4%	6.0%
190	\$17.49	\$11.08	\$6.41	\$17.71	\$11.08	\$6.63	\$0.22	1.3%	22.0%
380	\$34.99	\$22.17	\$12.82	\$35.43	\$22.17	\$13.26	\$0.44	1.3%	39.0%
550	\$50.63	\$32.08	\$18.55	\$51.27	\$32.08	\$19.19	\$0.64	1.3%	16.0%
750	\$69.05	\$43.75	\$25.30	\$69.92	\$43.75	\$26.17	\$0.87	1.3%	9.0%

Rates in Effect - Present: A-60

Rates in Effect - Proposed: A-60

Customer Charge		\$0.00
Transmission Energy Charge (1)	kWh x	\$0.00401
Distribution Energy Charge	kWh x	\$0.02589
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
FAS 106 Adjustment, & Settlement Cr.	kWh x	-\$0.00038
A-60 Rate Credit	kWh x	-\$0.00227
Credit for 1st 750 kWh	kWh x	-\$0.00661

Customer Charge		\$0.00
Transmission Energy Charge (2)	kWh x	\$0.00401
Distribution Energy Charge	kWh x	\$0.02589
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038
A-60 Rate Credit	kWh x	-\$0.00227
Credit for 1st 750 kWh	kWh x	-\$0.00661

Gross Earnings Tax 4.00%

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge

Impact on C-06 Rate Customers

Monthly kWh	Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
255	\$35.81	\$14.88	\$20.93	\$36.11	\$14.88	\$21.23	\$0.30	0.8%	28%
500	\$64.48	\$29.17	\$35.31	\$65.06	\$29.17	\$35.89	\$0.58	0.9%	16%
1,000	\$122.98	\$58.33	\$64.65	\$124.14	\$58.33	\$65.81	\$1.16	0.9%	21%
1,550	\$187.34	\$90.42	\$96.92	\$189.15	\$90.42	\$98.73	\$1.81	1.0%	13%
2,000	\$239.99	\$116.67	\$123.32	\$242.33	\$116.67	\$125.66	\$2.34	1.0%	6%

Rates in Effect - Present: C-06

Customer Charge		\$5.73
Transmission Energy Charge (1)	kWh x	\$0.00599
Distribution Energy Charge	kWh x	\$0.03898
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Rates in Effect - Proposed C-06

Customer Charge		\$5.73
Transmission Energy Charge (2)	kWh x	\$0.00599
Distribution Energy Charge	kWh x	\$0.03898
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$0.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$0.00063/kWh.

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Date: 19-Jun-03

Comparison of Rates With Proposed Low Income Program Charge

Time: 09:48 AM

Impact on G-02 Rate Customers

Hours Use: 200

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	4,000	\$478.82	\$233.33	\$245.49	\$483.49	\$233.33	\$250.16	\$4.67	1.0%	20%
50	10,000	\$1,102.82	\$583.33	\$519.49	\$1,114.49	\$583.33	\$531.16	\$11.67	1.1%	49%
100	20,000	\$2,142.83	\$1,166.67	\$976.16	\$2,166.16	\$1,166.67	\$999.49	\$23.33	1.1%	20%
150	30,000	\$3,182.82	\$1,750.00	\$1,432.82	\$3,217.82	\$1,750.00	\$1,467.82	\$35.00	1.1%	8%

Rates in Effect - Present: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Rates in Effect - Proposed: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Date: 19-Jun-03

Time: 09:48 AM

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-02 Rate Customers

Hours Use: 300

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	6,000	\$641.93	\$350.00	\$291.93	\$648.93	\$350.00	\$298.93	\$7.00	1.1%	20%
50	15,000	\$1,510.58	\$875.00	\$635.58	\$1,528.08	\$875.00	\$653.08	\$17.50	1.2%	49%
100	30,000	\$2,958.34	\$1,750.00	\$1,208.34	\$2,993.34	\$1,750.00	\$1,243.34	\$35.00	1.2%	20%
150	45,000	\$4,406.10	\$2,625.00	\$1,781.10	\$4,458.60	\$2,625.00	\$1,833.60	\$52.50	1.2%	8%

Rates in Effect - Present: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Rates in Effect - Proposed: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Date: 19-Jun-03

Comparison of Rates With Proposed Low Income Program Charge

Time: 09:48 AM

Impact on G-02 Rate Customers

Hours Use: 400

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	8,000	\$805.03	\$466.67	\$338.36	\$814.37	\$466.67	\$347.70	\$9.34	1.2%	20%
50	20,000	\$1,918.35	\$1,166.67	\$751.68	\$1,941.68	\$1,166.67	\$775.01	\$23.33	1.2%	49%
100	40,000	\$3,773.86	\$2,333.33	\$1,440.53	\$3,820.53	\$2,333.33	\$1,487.20	\$46.67	1.2%	20%
150	60,000	\$5,629.39	\$3,500.00	\$2,129.39	\$5,699.39	\$3,500.00	\$2,199.39	\$70.00	1.2%	8%

Rates in Effect - Present: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Rates in Effect - Proposed: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Date: 19-Jun-03

Comparison of Rates With Proposed Low Income Program Charge

Time: 09:48 AM

Impact on G-02 Rate Customers

Hours Use: 500

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	10,000	\$968.13	\$583.33	\$384.80	\$979.80	\$583.33	\$396.47	\$11.67	1.2%	20%
50	25,000	\$2,326.10	\$1,458.33	\$867.77	\$2,355.27	\$1,458.33	\$896.94	\$29.17	1.3%	49%
100	50,000	\$4,589.39	\$2,916.67	\$1,672.72	\$4,647.72	\$2,916.67	\$1,731.05	\$58.33	1.3%	20%
150	75,000	\$6,852.67	\$4,375.00	\$2,477.67	\$6,940.17	\$4,375.00	\$2,565.17	\$87.50	1.3%	8%

Rates in Effect - Present: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Rates in Effect - Proposed: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Date: 19-Jun-03

Comparison of Rates With Proposed Low Income Program Charge

Time: 09:48 AM

Impact on G-02 Rate Customers

Hours Use: 600

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)		Percent of Bills
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
20	12,000	\$1,131.24	\$700.00	\$431.24	\$1,145.24	\$700.00	\$445.24	\$14.00	1.2%	20%
50	30,000	\$2,733.86	\$1,750.00	\$983.86	\$2,768.86	\$1,750.00	\$1,018.86	\$35.00	1.3%	49%
100	60,000	\$5,404.91	\$3,500.00	\$1,904.91	\$5,474.91	\$3,500.00	\$1,974.91	\$70.00	1.3%	20%
150	90,000	\$8,075.95	\$5,250.00	\$2,825.95	\$8,180.95	\$5,250.00	\$2,930.95	\$105.00	1.3%	8%

Rates in Effect - Present: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Rates in Effect - Proposed: G-02

Customer Charge		\$103.41
Transmission Demand Charge-xcs 10 kW	kW x	\$1.40
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge-xcs 10 kW	kW x	\$2.91
Distribution Energy Charge	kWh x	\$0.01030
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company
Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-32 Rate Customers

Hours Use: 200

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	100,000	\$9,988.99	\$5,833.33	\$4,155.66	\$10,105.65	\$5,833.33	\$4,272.32	\$116.66	1.2%
1,000	200,000	\$19,731.70	\$11,666.67	\$8,065.03	\$19,965.03	\$11,666.67	\$8,298.36	\$233.33	1.2%
1,500	300,000	\$29,474.41	\$17,500.00	\$11,974.41	\$29,824.41	\$17,500.00	\$12,324.41	\$350.00	1.2%
2,000	400,000	\$39,217.11	\$23,333.33	\$15,883.78	\$39,683.78	\$23,333.33	\$16,350.45	\$466.67	1.2%
2,500	500,000	\$48,959.83	\$29,166.67	\$19,793.16	\$49,543.16	\$29,166.67	\$20,376.49	\$583.33	1.2%

Rates in Effect - Present: G-32

Rates in Effect - Proposed: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-32 Rate Customers

Hours Use: 300

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	150,000	\$14,123.36	\$8,750.00	\$5,373.36	\$14,298.36	\$8,750.00	\$5,548.36	\$175.00	1.2%
1,000	300,000	\$28,000.45	\$17,500.00	\$10,500.45	\$28,350.45	\$17,500.00	\$10,850.45	\$350.00	1.2%
1,500	450,000	\$41,877.53	\$26,250.00	\$15,627.53	\$42,402.53	\$26,250.00	\$16,152.53	\$525.00	1.3%
2,000	600,000	\$55,754.61	\$35,000.00	\$20,754.61	\$56,454.61	\$35,000.00	\$21,454.61	\$700.00	1.3%
2,500	750,000	\$69,631.70	\$43,750.00	\$25,881.70	\$70,506.70	\$43,750.00	\$26,756.70	\$875.00	1.3%

Rates in Effect - Present: G-32

Rates in Effect - Proposed: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-32 Rate Customers

Hours Use: 400

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	200,000	\$18,257.74	\$11,666.67	\$6,591.07	\$18,491.08	\$11,666.67	\$6,824.41	\$233.34	1.3%
1,000	400,000	\$36,269.19	\$23,333.33	\$12,935.86	\$36,735.86	\$23,333.33	\$13,402.53	\$466.67	1.3%
1,500	600,000	\$54,280.66	\$35,000.00	\$19,280.66	\$54,980.66	\$35,000.00	\$19,980.66	\$700.00	1.3%
2,000	800,000	\$72,292.12	\$46,666.67	\$25,625.45	\$73,225.45	\$46,666.67	\$26,558.78	\$933.33	1.3%
2,500	1,000,000	\$90,303.57	\$58,333.33	\$31,970.24	\$91,470.24	\$58,333.33	\$33,136.91	\$1,166.67	1.3%

Rates in Effect - Present: G-32

Rates in Effect - Proposed: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-32 Rate Customers

Hours Use: 500

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	250,000	\$22,392.11	\$14,583.33	\$7,808.78	\$22,683.78	\$14,583.33	\$8,100.45	\$291.67	1.3%
1,000	500,000	\$44,537.95	\$29,166.67	\$15,371.28	\$45,121.28	\$29,166.67	\$15,954.61	\$583.33	1.3%
1,500	750,000	\$66,683.78	\$43,750.00	\$22,933.78	\$67,558.78	\$43,750.00	\$23,808.78	\$875.00	1.3%
2,000	1,000,000	\$88,829.61	\$58,333.33	\$30,496.28	\$89,996.28	\$58,333.33	\$31,662.95	\$1,166.67	1.3%
2,500	1,250,000	\$110,975.45	\$72,916.67	\$38,058.78	\$112,433.78	\$72,916.67	\$39,517.11	\$1,458.33	1.3%

Rates in Effect - Present: G-32

Rates in Effect - Proposed: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-32 Rate Customers

Hours Use: 600

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
500	300,000	\$26,526.49	\$17,500.00	\$9,026.49	\$26,876.49	\$17,500.00	\$9,376.49	\$350.00	1.3%
1,000	600,000	\$52,806.70	\$35,000.00	\$17,806.70	\$53,506.70	\$35,000.00	\$18,506.70	\$700.00	1.3%
1,500	900,000	\$79,086.91	\$52,500.00	\$26,586.91	\$80,136.91	\$52,500.00	\$27,636.91	\$1,050.00	1.3%
2,000	1,200,000	\$105,367.11	\$70,000.00	\$35,367.11	\$106,767.11	\$70,000.00	\$36,767.11	\$1,400.00	1.3%
2,500	1,500,000	\$131,647.32	\$87,500.00	\$44,147.32	\$133,397.32	\$87,500.00	\$45,897.32	\$1,750.00	1.3%

Rates in Effect - Present: G-32

Rates in Effect - Proposed: G-32

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Customer Charge		\$236.43
Transmission Demand Charge	kW x	\$1.27
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$1.56
Distribution Energy Charge	kWh x	\$0.01139
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-62 Rate Customers

Hours Use: 200

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	600,000	\$69,725.75	\$35,000.00	\$34,725.75	\$70,425.75	\$35,000.00	\$35,425.75	\$700.00	1.0%
4,000	800,000	\$87,023.67	\$46,666.67	\$40,357.00	\$87,957.00	\$46,666.67	\$41,290.33	\$933.33	1.1%
5,000	1,000,000	\$104,321.58	\$58,333.33	\$45,988.25	\$105,488.25	\$58,333.33	\$47,154.92	\$1,166.67	1.1%
6,000	1,200,000	\$121,619.50	\$70,000.00	\$51,619.50	\$123,019.50	\$70,000.00	\$53,019.50	\$1,400.00	1.2%
7,000	1,400,000	\$138,917.42	\$81,666.67	\$57,250.75	\$140,550.75	\$81,666.67	\$58,884.08	\$1,633.33	1.2%

Rates in Effect - Present: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

Rates in Effect - Proposed: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-62 Rate Customers

Hours Use: 300

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	900,000	\$92,328.88	\$52,500.00	\$39,828.88	\$93,378.88	\$52,500.00	\$40,878.88	\$1,050.00	1.1%
4,000	1,200,000	\$117,161.17	\$70,000.00	\$47,161.17	\$118,561.17	\$70,000.00	\$48,561.17	\$1,400.00	1.2%
5,000	1,500,000	\$141,993.46	\$87,500.00	\$54,493.46	\$143,743.46	\$87,500.00	\$56,243.46	\$1,750.00	1.2%
6,000	1,800,000	\$166,825.75	\$105,000.00	\$61,825.75	\$168,925.75	\$105,000.00	\$63,925.75	\$2,100.00	1.3%
7,000	2,100,000	\$191,658.04	\$122,500.00	\$69,158.04	\$194,108.04	\$122,500.00	\$71,608.04	\$2,450.00	1.3%

Rates in Effect - Present: G-62

Rates in Effect - Proposed: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-62 Rate Customers

Hours Use: 400

Monthly Power kW	kWh	Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
		Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,200,000	\$114,932.00	\$70,000.00	\$44,932.00	\$116,332.00	\$70,000.00	\$46,332.00	\$1,400.00	1.2%
4,000	1,600,000	\$147,298.66	\$93,333.33	\$53,965.33	\$149,165.33	\$93,333.33	\$55,832.00	\$1,866.67	1.3%
5,000	2,000,000	\$179,665.34	\$116,666.67	\$62,998.67	\$181,998.67	\$116,666.67	\$65,332.00	\$2,333.33	1.3%
6,000	2,400,000	\$212,032.00	\$140,000.00	\$72,032.00	\$214,832.00	\$140,000.00	\$74,832.00	\$2,800.00	1.3%
7,000	2,800,000	\$244,398.66	\$163,333.33	\$81,065.33	\$247,665.33	\$163,333.33	\$84,332.00	\$3,266.67	1.3%

Rates in Effect - Present: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038
Gross Earnings Tax		4%
Standard Offer Charge - Proposed	kWh x	\$0.05600

Rates in Effect - Proposed: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038
Gross Earnings Tax		4%
Standard Offer Charge - Proposed	kWh x	\$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-62 Rate Customers

Hours Use: 500

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,500,000	\$137,535.13	\$87,500.00	\$50,035.13	\$139,285.13	\$87,500.00	\$51,785.13	\$1,750.00	1.3%
4,000	2,000,000	\$177,436.17	\$116,666.67	\$60,769.50	\$179,769.50	\$116,666.67	\$63,102.83	\$2,333.33	1.3%
5,000	2,500,000	\$217,337.21	\$145,833.33	\$71,503.88	\$220,253.87	\$145,833.33	\$74,420.54	\$2,916.66	1.3%
6,000	3,000,000	\$257,238.25	\$175,000.00	\$82,238.25	\$260,738.25	\$175,000.00	\$85,738.25	\$3,500.00	1.4%
7,000	3,500,000	\$297,139.30	\$204,166.67	\$92,972.63	\$301,222.63	\$204,166.67	\$97,055.96	\$4,083.33	1.4%

Rates in Effect - Present: G-62

Rates in Effect - Proposed: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on G-62 Rate Customers

Hours Use: 600

Monthly Power		Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)	
kW	kWh	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total
3,000	1,800,000	\$160,138.25	\$105,000.00	\$55,138.25	\$162,238.25	\$105,000.00	\$57,238.25	\$2,100.00	1.3%
4,000	2,400,000	\$207,573.67	\$140,000.00	\$67,573.67	\$210,373.67	\$140,000.00	\$70,373.67	\$2,800.00	1.3%
5,000	3,000,000	\$255,009.08	\$175,000.00	\$80,009.08	\$258,509.08	\$175,000.00	\$83,509.08	\$3,500.00	1.4%
6,000	3,600,000	\$302,444.50	\$210,000.00	\$92,444.50	\$306,644.50	\$210,000.00	\$96,644.50	\$4,200.00	1.4%
7,000	4,200,000	\$349,879.92	\$245,000.00	\$104,879.92	\$354,779.92	\$245,000.00	\$109,779.92	\$4,900.00	1.4%

Rates in Effect - Present: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

Rates in Effect - Proposed: G-62

Customer Charge		\$17,118.72
Transmission Demand Charge	kW x	\$1.39
Transmission Adjustment Factor	kWh x	\$0.00063
Distribution Demand Charge	kW x	\$0.75
Transition Demand Charge	kW x	\$0.00
Distribution Energy Charge	kWh x	\$0.00434
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4%

Standard Offer Charge - Proposed kWh x \$0.05600

The Narragansett Electric Company

Date: 19-Jun-03

Calculation of Monthly Typical Bill

Time: 09:48 AM

Comparison of Rates With Proposed Low Income Program Charge
Impact on T-06 Rate Customers

Monthly kWh	Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)		Percent of Bills
	Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
1,800	\$185.26	\$105.00	\$80.26	\$187.36	\$105.00	\$82.36	\$2.10	1.1%	47%
3,600	\$362.35	\$210.00	\$152.35	\$366.55	\$210.00	\$156.55	\$4.20	1.2%	12%
7,000	\$696.86	\$408.33	\$288.53	\$705.03	\$408.33	\$296.70	\$8.17	1.2%	8%
11,000	\$1,090.41	\$641.67	\$448.74	\$1,103.24	\$641.67	\$461.57	\$12.83	1.2%	10%
14,000	\$1,385.57	\$816.67	\$568.90	\$1,401.90	\$816.67	\$585.23	\$16.33	1.2%	3%
20,000	\$1,975.88	\$1,166.67	\$809.21	\$1,999.21	\$1,166.67	\$832.54	\$23.33	1.2%	20%

Rates in Effect - Present: T-06

Customer Charge		\$7.84
Transmission Energy Charge (1)	kWh x	\$0.00424
Distribution Energy Charge	kWh x	\$0.02285
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Rates in Effect - Proposed: T-06

Customer Charge		\$7.84
Transmission Energy Charge (2)	kWh x	\$0.00424
Distribution Energy Charge	kWh x	\$0.02285
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.

The Narragansett Electric Company

Calculation of Monthly Typical Bill

Comparison of Rates With Proposed Low Income Program Charge
Impact on V-02 Rate Customers

Hours Use: 300

Monthly Usage kWh	kW	Rates in Effect - Present			Rates in Effect - Proposed			Increase/(Decrease)		Percent of Bills
		Total	Standard Offer	"Wires"	Total	Standard Offer	"Wires"	Amount	% of Total	
3,000	10	\$333.86	\$175.00	\$158.86	\$337.36	\$175.00	\$162.36	\$3.50	1.0%	24%
6,000	20	\$659.55	\$350.00	\$309.55	\$666.55	\$350.00	\$316.55	\$7.00	1.1%	42%
15,000	50	\$1,636.61	\$875.00	\$761.61	\$1,654.11	\$875.00	\$779.11	\$17.50	1.1%	25%
30,000	100	\$3,265.05	\$1,750.00	\$1,515.05	\$3,300.05	\$1,750.00	\$1,550.05	\$35.00	1.1%	6%
45,000	150	\$4,893.49	\$2,625.00	\$2,268.49	\$4,945.99	\$2,625.00	\$2,320.99	\$52.50	1.1%	3%

Rates in Effect - Present: V-02

Customer Charge		\$7.85
Transmission Energy Charge (1)	kWh x	\$0.00610
Distribution Energy Charge	kWh x	\$0.03076
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00000
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Rates in Effect - Proposed: V-02

Customer Charge		\$7.85
Transmission Energy Charge (2)	kWh x	\$0.00610
Distribution Energy Charge	kWh x	\$0.03076
Transition Energy Charge	kWh x	\$0.00944
C&LM Adjustment	kWh x	\$0.00230
Low Income Program Charge	kWh x	\$0.00112
Settlement Cr.	kWh x	-\$0.00038

Gross Earnings Tax 4.00%

Standard Offer Charge - Proposed kWh x \$0.05600

Note (1): Includes Transmission Adjustment Factor of \$.00063/kWh.

Note (2): Includes Transmission Adjustment Factor of \$.00063/kWh.